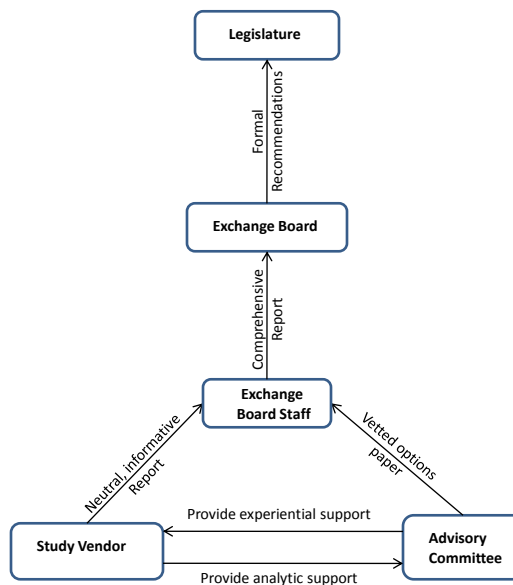


Operating Model and Insurance Rules Advisory Committee

Overview of Advisory Committee
Role, Charge, and Scope
September 19, 2011

Advisory Committee Role



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Charge to Advisory Committee

- Provide the study vendors with input based on diverse perspectives and experience
- Look critically at the analyses provided by the study vendors to inform their discussions on each topic of study
- Internally vet the options available and identify pros and cons regarding each option
- Assist in development of options paper for legislative studies

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Scope of Operating Model and Insurance Rules Advisory Committee

- Insurance market rules legislative study
 - Rules regarding which health benefit plans should be offered inside and outside the Exchange to mitigate adverse selection and encourage enrollment in the Exchange
 - Whether any benefits should be required of qualified health plans beyond those mandated by ACA, and whether any such additional benefits should be required of health benefit plans offered outside the Exchange
 - Whether carriers offering health benefit plans outside the Exchange should be required to offer either all the same health benefit plans inside the Exchange, or alternatively, at least one health benefit plan inside the Exchange
 - Which provisions applicable to qualified health plans should be made applicable to qualified dental plans

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Scope of Operating Model and Insurance Rules Advisory Committee

- Additional insurance market rules study questions
 - Sources for adverse selection
 - Impact of future federal guidance regarding essential health benefits on adverse selection and enrollment
 - Potential rate changes in the individual and small group market, potential strategies that may result in attractive premiums for the first year of Exchange operations, and ways to sustain this
 - Potential risk adjustment strategies; need for modeling risk selection issues; impact of reinsurance, risk corridors, and risk adjustments; and current risk adjustment methods
 - How best to coordinate MIA and Exchange roles

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Scope of Operating Model and Insurance Rules Advisory Committee

- Exchange operating model legislative study
 - Study and make recommendations regarding:
 - Selective contracting, either through competitive bidding or a negotiation process similar to that used by large employers, to reduce health care costs and improve quality of care by certifying only those health benefit plans that meet certain requirements
 - Multistate or regional contracting

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Scope of Operating Model and Insurance Rules Advisory Committee

- Examples of requirements for certification to be considered
 - Promoting patient-centered medical homes
 - Adopting electronic health records
 - Meeting minimum outcome standards
 - Implementing payment reforms to reduce medical errors and preventable hospitalizations
 - Reducing disparities
 - Ensuring adequate reimbursements
 - Enrolling low-risk members and underserved populations
 - Managing chronic conditions and promoting healthy consumer lifestyles
 - Value-based insurance design
 - Adhering to transparency guidelines and uniform price and quality reporting

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Scope of Operating Model and Insurance Rules Advisory Committee

- Additional operating model study topics
 - Current practices (Maryland and nationally) in selective contracting
 - Current Maryland initiatives to improve health care quality and reduce health care costs
 - Maryland initiatives related to quality improvement, cost reduction, and promotion of consumer choice
 - Similarities and differences among health plan requirements for networks and quality in the Maryland individual, small group, and Medicaid market
 - Current cross-state and regional insurance markets
 - Interest among other states in multistate arrangements
 - Comparison of Maryland's market with other states in terms of carriers, market and rating rules, size and cost
 - Assessment of the potential impact on State regulation of insurance contracts and rates if Maryland enters a regional or multi-state compact

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